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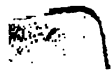
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A

LETTER

TO

LIEUT. COL. TORRENS, M.P.,

IN ANSWER TO

HIS ADDRESS TO THE FARMERS

OF

THE UNITED KINGDOM,

BY

THE REV. ALEXANDER CROMBIE,

LL.D., F.R.S.

LONDON:

R. HUNTER, 72, ST. PAUL'S CHURCH-YARD.

1832.

428.

G. WOODFALL, ANGEL COURT, SKINNER STREET, LONDON.



A

LETTER,

ETC.

DEAR SIR,

WHEN your "Address to the Farmers of the United Kingdom" made its appearance, I was busily occupied in preparing a new edition of the "Clavis Gymnasii," and have since been engaged in correcting the press. This has prevented me from giving that attention to your Pamphlet, which I wished, and to which any production of yours on Political Economy is confessedly and justly entitled. I now take the liberty to offer a few observations on the "Address," of the importance and correctness of which I must leave it to you and the public to judge.

Your main object, I perceive, is to reconcile the agriculturist to a free trade in corn. With this view, you endeavour to shew, that the restrictions imposed on the importation of foreign grain, lower the rate of profit on the capital employed in domestic agriculture, and that the abolition of these restrictions would therefore be beneficial to the farmer. Now, as these restrictions were intended to protect the agriculturist, to a certain extent, against foreign competition, and have a necessary tendency to enhance the price of corn in the home market, it seems an arduous, if not a hopeless, task, to attempt to convince the farmer, that restrictive duties are injurious to his interest, or that a high price for his commodity is not bet-

Crombie.

[1832]

culturists were in a state of unexampled prosperity. A competition for farms, such as had never before occurred, took place; rents rose rapidly, and were regularly paid; the price of all agricultural produce was enhanced; and lands, till then uncultivated, were brought into tillage. Now, all this prosperity took place, while importation was checked by restrictive duties, and moreover interrupted by the casualties of war. The corn trade was not free; yet the farmer flourished, drank to the health of Buonaparte in bumpers of wine, tinctured, it was said, with a due admixture of brandy, while the landlords exulted in augmented rents and the prosperity of their tenantry. And, were you to ask a farmer now, whether a return of such circumstances would be to him an acceptable event, he would smile in your face, and ask you in turn, if you believed him to be an idiot. There is nothing, assuredly, which the agriculturist dreads more, than a competition in the home market; and nothing which could give him greater delight, than the exclusion of foreign corn. You would have no difficulty in convincing him, that low prices are detrimental to his interest; but you have undertaken, I fear, a hopeless task, when you engage to shew, by the argument you have instituted, (for to this point I confine myself,) that restrictive duties, accompanied with high prices, can be no real benefit to him. Mistake me not, however, as if I meant to contend, that the farmer is the most competent judge of his real interest, in every question that concerns him. I am well aware, that contracted views, and inveterate prejudices often pervert the judgments even of sagacious minds, and that too many prefer a present gratification, or an immediate benefit, to a greater, but more distant, good. But whether his opinion on this subject be well or ill founded, he will naturally believe himself the best judge of his own interest, and consequently require clear and forcible arguments to convince him of his error. I proceed now to examine your reasoning.

You assume first, "that the cost of cultivating an acre of land is 10 bushels, or the value of 10 bushels of wheat." 2dly, You assume, that "the cost of cultivating an acre of ground con-

sists of the labour of one man, to whom seed and food, equivalent to 5 bushels of wheat, with implements and clothing, equivalent to 5 yards of cloth, are advanced, while the cost of procuring 60 shillings in money, consists also of the labour of one man, to whom the same identical advance is made."

By this supposition, you observe, that the produce of an acre of land, paying only a nominal rent, will sell for 60 shillings, whatever the quantity of the produce may be; because the principle of competition constantly tends to bring the rates of profit, obtained in different trades, to an equality, and profits cannot be equal, unless products, obtained at equal cost, are, on the average of years, of equal value.

You assume, 3dly, "that the cost of producing 15 yards of cloth, consists of the labour of one man, to whom raw material and food, equivalent to 5 bushels of wheat, with tools and clothing equivalent to 5 yards of cloth, have been advanced;" and you observe, that, as goods produced at equal cost, are of equal value, 15 yards of cloth will be equivalent to the produce of an acre of land, and will ALWAYS sell for 60 shillings, or at 4 shillings per yard. On these assumptions I beg leave to offer one or two observations. 1st, I readily admit, that, for the purpose either of argument or illustration, you have a right to make any suppositions, which you may think fit to offer. But, while I concede this privilege, I must at the same time remark, that if you intend to draw any practical conclusion from your premises, the suppositions must be strictly consistent with facts. Now, you suppose that the farmer's labourer is paid in wheat. This is not the fact. He is generally paid in money, and his wages are neither advanced nor lowered in strict proportion to the quantity of produce, or the price of the bushel, it being the interest and the study of the farmer, as of the manufacturer, to keep the wages of labour as low as possible. Whether this practice be either expedient or equitable, is not the question; it is the fact. Your supposition is therefore so far inapplicable to the case. Nor is this consideration immaterial to the question; for from what cause, as will pre-

sently appear, does the diminution of the farmer's profit arise, as prices advance, but from the increased cost of production, occasioned chiefly by the increased wages of the labourer *as paid in wheat*? If you substitute any given wages in money, instead of wheat, you will find your conclusions to be incorrect. 2dly, Your premises are erected on the assumption, that the tendency of profits to equalise themselves in all occupations, is an actual and positive equality. The tendency I acknowledge; but the equality I do not admit. I need hardly remark, that the profits of agriculture, after the year 1794, were much higher than they had been before that period, though here and there reduced, as leases were renewed, and certainly much higher, than those of almost any other mechanical occupation. I admit, as has been stated, the tendency of profits to equalise themselves, as I acknowledge the tendency of all the phenomena in the physical and moral world to a perfect equilibrium; but I believe it will be found, on examination, that this equilibrium, if produced, is but of short duration. Rarely are profits equal in the same, or in different occupations; and when you assume, that the produce of an acre, and 15 yards of cloth, if produced at the same cost, will *always* sell at the same price, you assume a position, in my judgment at least, repugnant to fact.

I acknowledge that the cost of production is a main ingredient in the exchangeable value of any commodity; but I cannot allow, that it is the sole constituent of price, there being many other circumstances, which must affect the value in exchange, and that too in a material degree.—But your assumption seems to me to be not only repugnant to fact, but at variance with your own suppositions. For you suppose, that the cost of cultivating an acre varies from 10 shillings to 40, taking only the wheat cost into account, and yet, notwithstanding this variation, that the produce of an acre is still and always must be equivalent to 15 yards of cloth, and to 60 shillings. Either the exchangeable value is not affected by the cost of production, or the produce of an acre and of 15 yards of cloth cannot always be equivalent to 60 shillings, whether

the 5 bushels of wheat consumed in producing them be worth 10 shillings or 40 shillings.

It seems vain to urge, that the same quantity of wheat being consumed in the production of each result, the values of the products must be equal. For, in the first place, I cannot allow, that the cost of production is the only constituent of value in exchange. And, in the second place, I ask, In what do you estimate the equality? In what do you estimate the farmer's expenditure? In what do you estimate the value of his produce? In what do you estimate his profit? Is it not in money? In the case of the farmer, when you compute his profits, you take the increased cost of production into account, but make no allowance for the increased price of the wheat consumed in fabricating 15 yards of cloth, or in procuring 60 shillings.

4thly, I do not clearly understand, why you have measured the value of the farmer's produce in 15 yards of cloth at 4 shillings per yard, and also in money, namely, 60 shillings. When you estimate the farmer's expenditure, the value of the 5 yards is a fixed quantity, and nowise affects the varying results. It may therefore have been dismissed and 20 shillings substituted in its stead, and as far as I can perceive, to produce 15 yards of cloth which may be sold at 4 shillings per yard, is one and the same thing as to procure 60 shillings. You might as well then, as far as your calculations are concerned, have assumed the produce of the acre to be always worth 60 shillings.

Your object being to prove, that restrictive duties, creating a high price of corn, are injurious to the farmer, because his profit must decrease, as the price is advanced, the cost of production being increased, you state the following cases in proof of your position.

You suppose the farmer to occupy at a nominal rent, a tract of land, yielding an annual crop, equivalent to 30 bushels of wheat per acre. Upon the *data* assumed, you observe, that wheat must in this case be worth 2 shillings a bushel, because

the same cost, which raises 30 bushels, procures 60 shillings.
Question, What is the rate of the farmer's profit?

EXPENDITURE PER ACRE.

Farm produce, seed, and food, 5 bushels of wheat,	
at 2s. per bushel	10s.
Wrought goods, implements, and clothing equal to	
5 yards of cloth	20s
	— 30s.

RETURN.

Gross produce per acre 30 bushels, at 2s. per	
bushel,	60s. 60s.
Profit	30s.

CASE II.

You then suppose, that, in consequence of restrictive duties, land, which can now be obtained at a nominal rent, yields only 20 bushels; in which case you observe, that all the produce above 20 bushels going for rent, the 20 bushels raised by the farmer occupying the inferior soil, must be worth 60 shillings, the same capital being expended in both cases; the price of the bushel therefore will rise from 2 shillings to 3 shillings. What is the farmer's profit?

EXPENDITURE PER ACRE.

Farm produce as before, 5 bushels, at 3s. per bushel	15s.
Wrought goods as before	20s.
	— 35s.

RETURN.

Twenty bushels at 3s.	60s. 60s.
Profit	25s.

CASE III.

Increasing population and continued obstructions to the importation of wheat, create such a demand for farms, that no land can now be obtained at a nominal rent, which yields more

than 15 bushels, all produce above this return going for rent. As 15 bushels must now be worth 60 shillings, what is the farmer's profit?

EXPENDITURE PER ACRE.

Farm produce 5 bushels, at 4s.	20s.	
Wrought goods	20s.	
	—	40s.

RETURN.

Fifteen bushels at 4s.	60s.	60s.
Profit		20s.

CASE IV.

You then suppose, that this process goes on, until the land, which can be obtained at a nominal rent, yields only $7\frac{1}{2}$ bushels. These then will be worth 8 shillings each. What will be the farmer's profit?

EXPENDITURE.

Farm produce 5 bushels, at 8s.	40s.	
Wrought goods	20s.	
	—	60s.

RETURN.

Produce $7\frac{1}{2}$ bushels, at 8s.	60s.	60s.
Profit		Nil

According to these suppositions, the value produced from an acre, is a fixed quantity, equal to 60 shillings, and the cost of production varies from 30 to 60 shillings. Now, no proposition can be clearer than this, that the cost of production being increased, other things being the same, the profit must be diminished. This is a truth, which it requires neither argument to establish, nor examples to illustrate. But whether from this truth, which your cases are offered to shew, the farmer is to conclude, that increased prices are injurious to his interest, is the point in question.

I have already objected to your measuring the cost of production in wheat, that portion of which, at least, consists in wages; and for this reason, that wages are generally paid in money. Now, as you concede, that the expence of tilling an acre, whether of good or of inferior soil, is the same, intending to allow, that the difference of cost will not invalidate your argument, I shall avail myself of this concession, though it is not necessary in the full extent, to my conclusion. It matters not what sum I substitute for your wheat-cost of production, since any wages below 40 shillings will establish my argument. I shall assume it to be 20 shillings. Now, if you will substitute this sum for farm produce, seed, food, &c. instead of the values of 5 bushels of wheat, you will find, that the profits in all your four cases will be the same, namely, 20 ~~per cent.~~ *shillings* The reason is evident. The produce of the acre in all your suppositions being of the same value, namely, 60 shillings, and the cost of production being the same in all, namely, 20 shillings for the first items, farm produce, &c., and 20 shillings for the second, wrought goods, &c., that is, in all 40 shillings, it necessarily follows, that the profit must be the same. If then, this view of the question be correct, if it be a fact, that the labourer is maintained by weekly wages, your conclusion cannot be admitted as just. The profits will not vary, as you have represented; on the contrary, upon your concession, that good and bad soils are cultivated at the same cost, if we estimate this cost in money, the profits will be equal in all the cases which you have stated.

But as the agriculturist has heard you arguing on one side of this question, it is but fair to hear what he has to urge, on the opposite side. We shall then see, whether his conclusions accord with yours, and on which side the arguments will be found to preponderate. In support of his opinion, he might state the following cases, not merely as suppositions, but as known and acknowledged facts.

In the year 1794, *A.* had a farm of 200 acres, yielding an annual crop per acre, equivalent to 32 bushels of wheat, paying a rent of 18 shillings per acre,—and the bushel selling for

7 shillings. In stocking the farm, he expended £1500, at the rate of £75 per acre. Question, what in this case was the farmer's profit?

VALUE OF PRODUCE.

32 Bushels at 7s., 224s. £11 4 0

EXPENDITURE.

Rent	18s.	
Seed, wages, tithes, rates, manure, team, and all other outgoings	80s.	
	<hr/>	
	98s.	4 18 0

Profit on capital (£75) about $9\frac{1}{2}$ per cent. £6 6 0

In estimating the expenditure in outgoings, I must observe, that, by the returns made to Parliament, these are various in different counties, and that the amount here stated is not offered, as strictly correct, in all cases, but rather for illustration.

I shall now suppose, that there is a tract of land in the neighbourhood, not capable by culture of paying the cost of tillage, and yielding a fair return on capital expended, producing only, what is equivalent to 20 bushels of wheat.

B.'s CASE.

VALUE OF PRODUCE.

20 Bushels at 7s., 140s. £7 0 0

EXPENDITURE.

Rent per acre	£0 10 0	
Outgoings as before, including additional cost of tillage	5 0 0	
	<hr/>	
		5 10 0

Profit on £75 capital £1 10 0

This return, being only 2 per cent., would not remunerate the farmer.

I shall now suppose a tract of still inferior soil renting 5 shillings per acre, and not capable by culture of remunerating the farmer, yielding only 16 bushels per acre.

C.'s CASE.

PRODUCE.

16 Bushels at 7s., 112s.	£5 12 0
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EXPENDITURE.

Rent per acre	£0 5 0
Outgoings as before, including additional cost of tillage	5 7 0
	<hr/> 5 12 0
Profit on capital, nothing	£0 0 0

This I shall suppose to have been the state of the agriculturist in the year 1794. In the following year corn rose to 10 shillings per bushel, and in 1796 to 12 shillings. Let us now inquire, whether this rise was advantageous to the farmer. *A.'s* case will stand thus:—

PRODUCE.

32 Bushels at 12s., 384s.	£19 4 0
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EXPENDITURE.

Rent	£0 18 0
Outgoings as before	4 0 0
	<hr/> 4 18 0
	<hr/> £14 6 0

Yielding a profit on capital of about 19 per cent.

Here the farmer is materially benefited by the advanced price.

B.'s CASE.

PRODUCE.

20 Bushels at 12s., 240s.	£12 0 0
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EXPENDITURE.

Rent per acre	£0 10 0
Outgoings	5 0 0
	<hr/> 5 10 0
Profit	£6 10 0

The farmer now by tilling his ground would draw a profit of $9\frac{1}{3}$ per cent. on capital expended. It will not be questioned, therefore, that the advance of price is advantageous to him also.

Restrictive duties still continue, and wheat rises to the price of 16 shillings per bushel *. What is *C.*'s case?

PRODUCE.

16 Bushels at 16s., 256s.	£12 16 0
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EXPENDITURE.

Outgoings	£5 7 0	
Rent	0 5 0	
	<hr/>	5 12 0
		<hr/>
		£7 4 0

Profit nearly 10 per cent. on capital.

On this last supposition, *A.* would make a profit of 25 per cent.; *B.* a profit of more than 20 per cent.; while *C.*, as is here stated, makes a profit of nearly 10 per cent.

If these computations be correct, it is very evident that restrictive duties, by which the price of corn is gradually advanced, is beneficial to the farmer holding under a lease, granted antecedently to the advance.

You may object, that I have here, speaking for the farmer, estimated wages and clothing in money, whereas you have rated them in corn. It is true: and there are two reasons for my adopting this measure. The first is, that wages are generally paid in money.—My supposition is conformable to fact. You assume, what is not the fact. The second is, that you estimate the profit in money, the food in money, and the value of the cloth in money, and the produce of the acre in money. I can see no reason, therefore, why the wages should not be estimated in money. You assume that the wages must exactly keep pace with the advanced price of corn, whereas this is not the case.

* In 1801 wheat rose to 139s., and in 1802 to 154s. 8d. per quarter. These prices gave still higher profits.

But I will take your own suppositions, and admit that the labourer is paid in corn. It will be true, that the cost of production is increased by the advanced price of corn; but, unless the corn consumed at home be equal to the corn carried to market, or greater than that quantity, the farmer must still be a gainer by every advance in the value of his produce. If, for example, as in your first case, he consumes 5 bushels and sells 25, then it is clear, that for every shilling of advance, he loses 5 shillings by consumption, but gains 25 shillings by sale. And it is only in such cases as your last, in which the farmer consumes at home more than he carries to market, that he becomes a loser by an advance, and such cases may be dismissed, as in such circumstances the farmer will not cultivate.

You may now ask, if I question the correctness of your computations, or the accuracy of the results. Certainly not. I cannot dispute, the produce of the acre being always equivalent to 60 shillings, and the wheat-cost of production increasing from 2 shillings to 8 shillings per bushel, that, in proportion as the produce decreases, the profit must decrease, and eventually be reduced to nothing. I can no more question this position, than I can deny the self-evident truth, that the price of a product remaining unchanged, the profit must decrease, as the cost of production increases. But when I admit this, I do not admit also, that your argument proves, that restrictive duties are detrimental to the farmer, but simply this, that he, who farms the best soil, other circumstances being equal, has the greatest profit. And, whatever inequalities of profit may exist, by reason of long leases, these inequalities at the expiration of the leases are corrected. Bearing in mind the acknowledged maxim, you will allow that all profits tend to equalise themselves. The landlord will claim to himself as rent, the surplus produce or its value, after all the outgoings of the farmer are allowed, with a fair remuneration for superintendence and capital expended. This was, in the year 1814, when stocks were yielding about $4\frac{1}{2}$ per cent., stated by intelligent farmers examined before a Committee of the House of Lords, to be 10 per cent. Whether the price of wheat be £3 per quarter or £5, whether

the acre produce 32 bushels or 12 bushels, the farmer will not undertake to cultivate a farm at such a rent, as will not allow him this, or what he deems a fair, remuneration; and it is not the interest of the landlord to require it.

The facts, then, seem to stand thus. A farmer occupies a farm of exceedingly good soil, yielding, after rent and all outgoings are paid, 10 per cent. on the capital expended, wheat fetching in the market 60 shillings per quarter. Wheat rises to 80 shillings. The cost of production not increasing in the same ratio, his profit will be considerably increased; he is therefore benefited, and not injured, by the rise. If the high price continue to the end of his lease, his landlord raises his rent, and allows him no more, of the surplus produce above all outgoings, than will yield a fair remuneration for his capital. But it seems to me preposterous to deny, that during his lease he is benefited by the advanced price, whether occasioned by high restrictive duties, or by prohibited importation. At the time, when the rise took place, another had a farm, the greater part of which being of inferior soil, would not remunerate him for the culture of wheat, at 60 shillings; but when it rises to 80 shillings, he perceives it to be his interest to expend capital on the inferior soil, and to raise wheat. His profit, however, is not equal to the profit of the other, because his cost of production is greater, and the produce less. A third, with still inferior soil, wheat rising to £5 per quarter, finds it his interest to take into culture ground, which previously lay waste. No one surely will say, that these three have been injured by the advanced price of corn, occasioned by the continuation of restrictive imposts. They have each been benefited by the rise of price, though not in the same degree. This concession, you will say, proves your position. I think not. It merely proves, that the first, having the advantage of a better soil under lease, makes a higher profit, than the other two; but it does not prove, what you aim at proving, that high prices, occasioned by restrictive duties, are prejudicial to the farmer. It is one thing to shew, that increased expenditure, or diminished produce, *ceteris paribus*, lowers profit, and quite

another thing to prove, that the agriculturist is not benefited, unless his profit exceed a fair remuneration for his industry, and capital. According to your first supposition, the farmer gains cent. per cent., by your second, 70 per cent., and by your third, 50 per cent. Is it reasonable to contend, or could you by any argument convince them, that the two last are not advantaged by restrictive duties, because their profits are lower, than that of the first?

Well; the high prices continue; the leases expire; the three tenants renew them; and the landlords severally require rents, according to the productive qualities of the three soils, leaving to the tenants, as every landlord must do, a fair remuneration for their expenditure of capital. Of the three, it is evident the first will be the greatest sufferer by a renewal of his lease, his profit being reduced in a higher ratio. But this does not prove that the advanced prices were injurious to him, while they lasted; on the contrary, he prospered by the restriction of importation, and is now reduced to an equality with his neighbours, by having now, with them, only a fair remuneration for his capital and superintendence.

Importation, I shall suppose, is allowed with very low, or no duties. Prices fall. This is a state, the reverse of that, which we have just now supposed. Farmers bound by their leases to pay high rents, are unable to fulfil their engagements, and landlords are obliged to allow abatements. Leases expire; the rents of land capable of raising wheat at the remunerating price are reduced, and inferior soils are thrown out of culture. These would be the consequences; and these consequences follow from the abolition or reduction of restrictive duties. But let importation be again prohibited, and prices will again rise, higher rents will be obtained, and inferior soils will again be tilled, an event, at which, I conceive, the farmer would rejoice. And if you attempted to convince him, that restrictive duties and high prices were detrimental to his interest, he would refer you to the balance of his account, as a proof that he was a gainer, and not a loser, by protective imposts. He would tell you also, that if foreign competition be either prevented or re-

stricted by high duties, he would take his chance of good and bad seasons, but that under a free importation, he would have no prospect of ever getting a fair price, because in those seasons, when the crops were bad, he would get no more, or little more, than when the crops were good, and therefore could not pay his rent, without trenching on his capital. (*See Reports of the Lords' Committees, 1814, p. 29.*) In short, it seems to me as absurd to deny, that a farmer, holding under lease, is benefited by advancing prices, created by restrictive duties, or prohibited importation, as to deny, that he would suffer loss by decreasing prices, occasioned by a free trade. The latter position you admit; how you can consistently controvert the former, appears to me wholly inexplicable.

It is doubtless true, as you have shown, that assuming the cost of production to be in all cases the same, when restrictive duties continue to create higher and higher prices, inferior soils yielding less produce, and cultivated at higher cost, will give lower profits. But, in order to prove *your* position, and reconcile the farmer to a free trade in corn, you must convince him, that it is more for his interest to let fields lie waste, though by tilling them he should make 10 or 12 per cent. on his capital, than to bring them under culture; and by this argument, because his next neighbour, occupying a better soil under a long lease, makes 15 or 20 per cent. You must thus convince him, that it is better to get no bread at all, than only half a loaf. And, if he ask why? the reason given is, because his next neighbour has a whole one. Would he be satisfied with this argument? I think, not. And he would tell you, that, whenever his neighbour's lease expired, both would then be placed on a more equal footing; and in the mean time he thought it better to make a fair profit, though less than his neighbour's, than no profit at all. This, I presume, would be his reply.

You observe, that increasing population and continued restrictions on the importation of food, would create a continued and increasing competition for farms, which would tend to lower the rate of profit. But it is fair to look at the other side of the question. If all the inferior soils were thrown out of

tillage, would not this also occasion an equally powerful competition for the more productive farms? Would it not also be accompanied with this additional injury to the farmer, that the dismissal of labourers employed during the high prices on inferior soils, would compel them to resort to parochial relief, and throw a heavy additional burden on the agriculturist?

You and I are quite agreed in thinking that the true principle in trade and commerce of every kind, is to get the best commodity at the lowest price. We are also agreed, that cheap food is one of the greatest blessings that a people can enjoy. If then you had confined your reasoning to what you have so ably argued in your masterly and unanswerable work on the Corn Trade, and shewn that restrictive duties on corn are injurious to the consumers, and can benefit the farmer only while he holds a lease, granted before the advance took place, I should have readily concurred with you.—But the argument in your “Address” appears to me inconclusive; as to the farmer, it will prove unsatisfactory. Every agriculturist, his rent and other things remaining the same, must be benefited by an advance of price.

I am aware, that, if the price of corn were always at or near the same level, it would be of little consequence to the farmer, what the price might be. It is his interest as much as that of the manufacturer, to prevent excessive fluctuations. If low prices were established, landlords would be compelled to reduce their rents, and inferior soils would be thrown out of tillage. This would certainly at first be productive of considerable suffering. The landlord’s revenue would be reduced, his expenditure on luxuries would be curtailed, trade and commerce would for a while be contracted, the revenue would be for a time diminished, and agricultural parishes subjected to additional burdens. The community however would be benefited by cheaper food, and would have more to spend on articles of consumption, which would in some degree compensate for the diminished expenditure of land proprietors. Manufactural industry also would be stimulated, population would increase, and the farmer’s market would be gradually improved. Nor would

such a depression of the agriculturist, as is generally apprehended, be the necessary attendant of a judicious corn law, gradually providing for a low impost, and perhaps eventually for an abolition of duty. It appears from the evidence before the Corn Committees in the Lords and Commons, that the prices here would not be so much governed by those on the Continent, as the continental prices would be determined by the prices in this country. The prices in the home market would unquestionably be reduced, but by no means to that extent which either the agriculturist dreads, or the manufacturer anticipates. Increasing population, too, would create an increasing demand. But this is not strictly the subject before me. The simple question is, Whether your reasoning, and the cases, which you suppose, be such, as should convince the intelligent farmer, that restrictive duties and high prices, are detrimental to his interest? I will briefly restate my reasons for thinking that your argument is inconclusive.

1st. You proceed on the supposition, that the cost of cultivating an acre of good land, and the expense of tilling an inferior soil, are equal; and you suppose that this cost is paid in wheat. This supposition cannot be admitted. It is not the practice to pay in wheat, but in money. Your supposition, therefore, being repugnant to fact, clearly excludes any practical conclusion. If the cost of cultivation be paid in money, as is generally the case, then, the costs being equal, according to your concession, and the values of the products being equal, according to your supposition, the profits must be equal, and not unequal, as you conclude.

But, 2ndly. I will not insist on the fact, that wages are paid in money. I will concede all that you can ask. I will admit, what you assume, that the cost of production is paid in wheat. It is evident, that on inferior soils, a larger proportion of the produce being consumed in food, &c. than in superior soils, the profit in the former case must be less, than in the latter. But agreeably to your own maxim, profits tend to equalise themselves, and by a renewal of leases this inequality is removed. And, in the mean time, you could not convince

the tenant of an inferior soil, that restrictive duties and high prices are injurious to his interest, merely because the lessee of a superior soil draws a higher profit than he. The former will naturally say: "It is true, my neighbour, having a better farm than mine, makes 25 per cent. profit; but this superiority furnishes no reason, why I should condemn restrictive duties, which enable me to make 10 or 15 per cent. since, before the duties were imposed, my land lay waste, and I made no profit at all. Before, therefore, you can convince me, that restrictive imposts and high prices are a detriment to me, and not a benefit, you must convince me, that a fair profit, because less than a greater, is no profit at all." Any caution against cultivating a soil, which will yield him no profit, according to the last of your suppositions, he will tell you, is quite unnecessary.

When you flatter him with the hope, that, if all restrictions were abolished, he would have permanently a high price, he would naturally ask, If it were not true, that competition has a necessary tendency not only to equalise, but also to reduce the rate of profit. "This competition," he would say, "I have reason to dread from two causes. In the first place, if all inferior soils are thrown out of tillage, there will arise such a competition for the more productive lands, that rents will be considerably increased*. This will lower the rate of profit. In the next place, the foreign agriculturist, or the corn merchant in this country, will meet me in the market, and here will be another powerful competition." He might ask, likewise, If high profits would not for several years be precluded by the additional parochial burdens, occasioned by the dismissal of a large proportion of labourers. He might add, that no prudent landlord would allow, nor any intelligent farmer require, a greater profit, than a just remuneration for superintendence and capital; and that the rate of this remuneration must always be determined in

* An eminent land-surveyor, when examined by the Lords' Committee, delivered it as his decided opinion, that, if inferior soils were thrown out of tillage, such a competition for more productive farms must take place, as would occasion a rise of rents.

some degree by the rate of interest, drawn from inert capital in Government securities, Bank stock, &c.

There can be no doubt, as has been already observed, that it would be more beneficial to the farmer, as likewise to the merchant and the tradesman, to have a fair and uniform profit on capital, than to be subject to fluctuations between the two extremes of high profits, and heavy losses. But this mediocrity suits not the spirit of the age. Men, engaged in trade and commerce, are too generally disposed to play a deep game; and abandoning the notions and practices of former times, hasten to accomplish, if they can, in a few years, at whatever risk, what used to be the business of a whole life. The farmer has imbibed a portion of this spirit; and, as far as I can learn from my limited experience, would prefer the chance of high prices, with the hazard of loss, to a fair and steady profit. Hence arises his objection to a corn and money rent, which would serve to equalise profits, or at least to keep them near a fair and remunerating level, occasionally indeed precluding high gains, but occasionally also protecting him against severe losses. The farmer desires to avail himself of the advanced price; and when it falls below the proper level, resorts for relief to the liberality of his landlord.

I conclude my Letter with observing, that you have by the cases supposed furnished an illustration of the acknowledged axiom, that profits are reduced, *cæteris paribus*, as the cost of production is increased. But, while farmers, holding under leases, are enabled by restrictive duties, some to make higher than remunerative profits, and others to get fair returns for their capitals, who made no profit before the increased restrictions were imposed, your argument, I apprehend, must fail in its object, when you attempt by it to convince them, that these imposts are adverse to their interest.

That a free trade on corn, or a low duty, gradually introduced, as you propose, would be beneficial to the community, and eventually not injurious to the farmer, or even perhaps to the land proprietor, under corresponding adjustments, I entertain no

doubt. But, in order to convince the agriculturist of this truth, I should refer him to your masterly "Essay on the Corn Trade," in which the reasoning is strictly philosophical and the conclusions indisputable; but, unless it were to puzzle, rather than to convince him, I should hesitate, before I advised him to read your "Address to the Farmers of the United Kingdom."

Hoping, that I have not misconceived your argument, and conscious that I have not intentionally misrepresented it,

I am, dear Sir,

Your's faithfully,

ALEXANDER CROMBIE.

12, York Terrace, Regent's Park.



